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NATIONAL INTELLIGENCE ESTIMATE

INDIA'S POSITION IN THE EAST-WEST CONFLICT



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19 AUG 1985

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Benedict K. Zobrist, Director
Harry S. Truman Library
National Archives and Records Administration
Independence, MO 64050

Dear Mr. Zobrist:

This is in response to your letter of 30 November 1981 in which you referred to this agency four publications for mandatory classification review. Specifically, we are referring to the Executive Order 12065 request of Hossain S. Farouki, your declassification project NLT 81-32.

Missing We have reviewed the documents--SE-17, SE-32, NIE-41, and NIE-23--and have determined that all four may be declassified and released. Appropriately marked copies are enclosed.

We assume that you will provide copies to the requester.

We apologize for the delay in processing this referral.

Sincerely,



Information and Privacy Coordinator

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Enclosures

IPD/MJD/hlh/3 Apr 85

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M/R: All 4 of these pubs have been declassified by DDI, but CRD still shows SE-17 in the DARE system as downgraded to CONFIDENTIAL. Above response is being coordinated with CRD to resolve the current impasse. mjd.

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NATIONAL INTELLIGENCE ESTIMATE

**INDIA'S POSITION IN THE EAST-WEST
CONFLICT**

NIE-23

The intelligence organizations of the Departments of State, the Army, the Navy, the Air Force, and the Joint Staff participated in the preparation of this estimate. All members of the Intelligence Advisory Committee concurred in this estimate on 30 August.

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INDIA'S POSITION IN THE EAST-WEST CONFLICT

THE PROBLEM

To estimate India's present and probable future position in relation to the East-West power conflict, short of the outbreak of global war.*

CONCLUSIONS

1. India is presently determined not to commit itself to either side in the East-West conflict. This determination has of late resulted in a tendency to appease world Communism and in failure to support the West in its program of combating world Communist aggression.
2. India's policy is unlikely to be changed in the near future by further Soviet aggressive moves in Europe or the Near East or by advance of Communist power in Southeast Asia.
3. Communist aggression against Burma, the principalities along the Indian border, or India itself, would probably lead the Indian Government to seek military aid from the West.
4. Continued deterioration of the Indian economic situation might in time enable the Indian Communists, especially if supported by the Chinese Communists, to seize control of the government.
5. The threat of Communist domination of Southeast Asia is already serious. Communist control of India would almost certainly result in Communist domination of the area (including Indonesia). Neutralism in Iran, the Arab Middle East, and the Philippines would be greatly encouraged.
6. India probably cannot by its own efforts and means stop its economic decline. Substantial outside assistance over several years might check the decline.

DISCUSSION

India's Foreign Policy

7. The present Indian Government is determined to maintain an independent position in the East-West conflict, despite its predominant

* This estimate does not consider the effect on India's position of an outbreak of war between India and Pakistan. The effect of such a development is to be considered in NIE-41, "Probable Developments in the Kashmir Dispute to the End of 1951."

economic and cultural ties with the West and despite its opposition to Communism within India. Its determination to avoid a commitment to the West is based on the following major considerations:

a. India's leaders are jealous of India's newly won freedom of action and therefore oppose any arrangement which might entail foreign interference or foreign entanglements. They believe that India is not now a likely tar-

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get of Soviet or Chinese Communist attack and that a military alliance with the West would only involve India in quarrels in which it has no direct interest. They fear that such an alliance might even invite Soviet military attack in the event of a general war.

b. These leaders are strong advocates of Asian nationalism and are reluctant to associate themselves with what they regard as the forces of colonialism. They believe that the Western Powers are bent on preserving their influence in Asia regardless of the interests and desires of the Asians. These suspicions of the West are reinforced by desire to have India itself assume a role of leadership in Asia and by irritation with Western efforts to secure a UN solution of the Kashmir dispute. Much of India's old antagonism for the British has been transferred to the US now that the UK has granted India independence.

c. Nehru in particular feels that Western militancy in the face of Soviet expansionism is both dangerous and morally wrong. He fears that Western efforts to check the USSR may plunge the world into general war and thus deny India the period of international peace and stability which it desperately needs in order to build up its own economic and political structure. He believes that India can most effectively work to preserve peace by serving as a mediator.

8. In practice, India has not only taken pains to dissociate itself politically from the West but has also demonstrated a strong tendency toward appeasement of the Communist bloc. Nehru concedes that the USSR is an aggressive and expansionist power, but he argues that Soviet expansionism should be checked primarily by preventing the development of "revolutionary situations" which invite Soviet intervention, rather than by the development of military defenses against the USSR. He has also argued against a militant attitude toward Communist China because of the conviction that Mao's victory over the US-backed Nationalist regime in China was a major triumph for Asian nationalism and self-determination, and on the ground that militancy would force Communist China into closer association with the USSR. He probably also takes this position because of a desire to get

along with a powerful neighbor, particularly so long as India is militarily preoccupied with Pakistan. With respect to other Asian countries, India has usually backed its fellow Asians against the West, regardless of the issues involved, and has displayed the utmost contempt for those Asian regimes which accept Western leadership.

Prospects of an Early Change in Policy

9. We believe that there is little reason to expect an early change in India's policy of neutralism. Nehru, who is largely responsible for the formulation and promotion of these policies, is a man of strong conviction. These policies, moreover, reflect the widespread anti-Western feeling in India. Even if the right wing leaders of the Congress Party should come to dominate foreign policy, they would find it difficult to abandon formally the policy of neutralism. A right wing government, however, would be more intent on obtaining US economic assistance. As a result, it would probably adopt a generally more cooperative attitude toward the US and might even conclude various unpublicized understandings with the West.

10. We believe that further Soviet aggressive moves in Europe or the Near East, by increasing the danger of general war, would be more likely to strengthen India's neutralism than to induce India to associate itself more closely with the Western bloc.

11. We further believe that the advance of Communist power into Tibet and Southeast Asia is unlikely to produce an early change in India's policy of neutralism despite their importance to India as potential spheres of Indian influence, as military buffer areas, and (in the case of Southeast Asia) as a source of most of India's 800,000 tons of annual rice imports. At present the Indian Government is attempting to dissociate itself from the Tibetan efforts to retain autonomy. Indian leaders appear to minimize the strategic importance of the Tibetan settlement recently announced by Peiping, even though that settlement would permit the stationing of Chinese troops along India's northern frontiers, would force India to abandon its role as guardian of

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Tibetan interests, and might even result in the expulsion of Indian commercial and military representatives from Tibet. It is unlikely that overt Chinese Communist intervention in Indochina or subsequent Chinese attacks on Thailand or Malaya would lead India to give effective political and military support to Western countermeasures—though India could be expected to strengthen its own defenses.

12. A serious Chinese Communist threat to Burma would create considerable alarm in India. The Indian Government would probably not intervene openly should Peiping's efforts to gain control of Burma be confined to covert reinforcement and logistical support of indigenous forces. In the event of an overt Chinese Communist invasion of Burma, India would probably decide to send its own troops to the assistance of the Burmese, but might fail to act promptly and effectively in view of its desire to retain its military superiority in Kashmir and along the Pakistani border, where most of its forces are now disposed.

13. India would certainly resist, however, and would probably look to the UN and the West for military aid, if Communist China attempted to gain control of Nepal, Bhutan, Sikkim or parts of the Indian province of Assam (to all of which territories China has at one time or another laid claim). India would also resist Soviet or Chinese efforts to infiltrate or subvert Kashmir.

Economic Deterioration and India's Foreign Policy

14. In the four years since liberation, India's basic problem of supporting a dense population with a backward and badly organized economy has become progressively more acute. Despite the efforts of the Indian Government, economic rehabilitation and development have not only failed to keep pace with a population growth of almost five million persons a year but have even failed to check the deterioration of existing production facilities. Productivity has actually declined. Unless a large-scale economic development program can be financed and effectively executed, India appears doomed to a steady decline in living

standards, periodically intensified by crop failures.

15. The magnitude of India's economic difficulties is beginning to produce widespread popular dissatisfaction with the present government, particularly in view of the high hopes of economic betterment raised by the establishment of India's independence. It is impossible to predict with confidence the effects of mounting popular unrest on the political structure or the foreign policy of India. By increasing its already strong control over internal security and assuming a more and more dictatorial character, the present Indian Government might be able to suppress any violent opposition at least temporarily. On the other hand, intensely nationalist groups or non-Communist leftist groups might succeed in capturing public support. Finally, India might be disrupted by economic pressures and revert to the disunity of earlier centuries.

16. The possibility also exists that economic deterioration would in time result in Communist control of India. The Communist Party of India, weakened by a premature resort to violent tactics and by the vigorous and effective opposition of the authorities, has a current strength of only about 50,000 and does not represent an immediate threat to the regime. Nevertheless, Communist doctrine makes a powerful appeal to the intellectuals who mould politically effective opinion, and the Communists alone appear to have the militancy and organization needed to exploit popular dissatisfaction to the full. The splintering of the Congress Party provides a good opportunity for use of popular front tactics to re-establish Communist influence, and the Communists might also be able to develop support among the various depressed groups in Indian society. The Communists have already had some success—particularly in Hyderabad and in nearby areas of Madras—in the tactics of rural revolt employed by the Chinese Communists.

17. If the Communists gained control of India, neighboring states would be exposed to military threat from the flank, the Communist bloc would be in a position to threaten the

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principal communications route between Europe and the Far East in time of war, and Asian opinion would be driven toward the view that Communism represented the "wave of the future." Southeast Asia, including Indonesia, would probably fall completely under Communist domination. The generally pro-Western governments of Pakistan and Ceylon would find it difficult to take a firm position against the USSR and its Asian allies even if strong Western military support were forthcoming. Neutralism would be greatly encouraged in Iran, the Arab Near East, and the Philippines.

18. Communist control of India would deny the West a major source of manganese, mica, shellac, kyanite, and jute products. The loss of these supplies would in the short run confront the US with serious problems of procurement. But in the long run alternative sources and/or substitutes (with the possible exception of mica) could almost certainly be developed. The Soviet bloc apparently has less need than the West for India's products. Should Communist control of India lead to the absorption of Southeast Asia into the Soviet bloc, however, the economic effects would be even more serious, inasmuch as critical

sources of tin, rubber, and petroleum would pass from Western to Soviet hands.

19. A Communist India would not add significantly to the military power of the Soviet bloc in terms of materiel. It would, however, provide an army in being of about 400,000 men and a vast supply of manpower. India already has an estimated 1,500,000 trained reserves and, given Soviet equipment, might in time develop an army comparable to that of Communist China.

20. It is possible that outside economic assistance could check and in time halt the economic decline of India. In order to achieve this end, such aid would have to be substantial and would have to be continued for several years. Even if such aid were provided, the Indian Government might be unable to effect the sweeping and politically difficult social and economic changes required to achieve economic stability. Despite the obvious element of risk involved, however, external economic assistance appears the only possible means of checking an economic decline which would otherwise create greater difficulties for the West and which might result in a graver threat to the Western position throughout Asia.

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